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To: Pharmacies

RE: Part D Pharmacy Recoupments

Alabama Medicaid denies prescription Part D covered drug claims for recipients who have Part A and/or Part B Medicare coverage at the time a prescription is dispensed. This denial is based upon Medicare information sent to the Medicaid Agency. Occasionally, Alabama Medicaid may pay for prescription drug claims that should have been billed to the recipient's Medicare Part D plan due to delays in receiving Medicare entitlement dates.

Effective June 1, 2008, the Alabama Medicaid Agency will implement a monthly process to recoup Part D covered drugs that were paid by Medicaid for recipients who were enrolled in a Medicare Part D plan at the time the prescriptions were dispensed.

Recoupments on erroneous claims to Medicaid will be listed on the financial transactions page of the provider's Remittance Advice (RA). Questions regarding this recoupment process should be directed to the Medicaid Third Party division at (334) 242-5248.

Medicare has a process in which a provider may verify Part D enrollment through their E1 query system. **Pharmacies dispensing Part D covered drugs are strongly encouraged to utilize the E1 query process prior to dispensing so that correct billing is applied.** For more information on the Medicare E1 query, the Part D Reference Guide for Pharmacists, and other valuable Part D information, please visit the Medicare website for pharmacies at <http://www.cms.hhs.gov/pharmacy/>.

May 13, 2008